

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6128

BILL NUMBER: HB 1107

NOTE PREPARED: Nov 14, 2002

BILL AMENDED:

SUBJECT: Designation of Tax Refund for Cancer Research.

FIRST AUTHOR: Rep. Hasler

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill establishes the Barry J. Brumer Cancer Research Account within the Indiana Health Care Account. The bill provides that a taxpayer may designate all or a part of the taxpayer's state Income Tax refund to be paid over to the Barry J. Brumer Cancer Research Account.

Effective Date: Upon passage.

Explanation of State Expenditures: The bill establishes the Barry J. Brumer Cancer Research Account within the Indiana Health Care Account. The bill provides that the Cancer Research Account consists of money designated for the Account from individual Income Tax refunds. The bill also requires money in this Account to be spent for cancer research programs.

The Department of State Revenue (DOR) would incur some administrative expenses relating to the revision of tax forms, instructions, and computer programs to incorporate the tax refund check-off for the Cancer Research Account. These expenses presumably could be absorbed given the DOR's existing budget and resources. The bill requires the DOR to include in the individual income tax instructions a written description (developed by the State Budget Agency and State Department of Health) of the purposes of the Barry J. Brumer Cancer Research Account. Pursuant to the bill, the check-off and description would have to appear on the 2003 income tax form.

Explanation of State Revenues: The bill establishes a check-off for income tax refunds to be designated to the Barry J. Brumer Cancer Research Account. The bill stipulates that the check-off applies beginning in tax year 2003. Thus, the Account could potentially receive tax refund money for the first time in FY 2004. The number of taxpayers with refunds that may select the Cancer Research check-off and the amounts such

taxpayers may direct to the check-off is indeterminable. However, it could potentially reduce the amount that would otherwise be designated by taxpayers for the Indiana Nongame and Endangered Wildlife Fund. The only income tax refund check-off that exists under current statute is for the Nongame and Endangered Wildlife Fund. The check-off for this Fund generated about \$358,182 from 31,475 filers in tax year 2000. This is an average of \$11.38 per filer selecting the check-off.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue, State Budget Agency, State Department of Health.

Local Agencies Affected:

Information Sources: Department of State Revenue income tax data.

Fiscal Analyst: Jim Landers, 317-232-9869